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## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 9.7.2010

Wall Street Journal: "Bank Jitters Hit Futures ... U.S. stock futures pointed to a weak start as an article in The Wall Street Journal on euro-zone stress tests sparked fresh fears about the health of banks."

Wall Street Journal: "Europe's Bank Stress Tests Minimized Debt Risk ... Europe's recent "stress tests" of the strength of major banks understated some lenders' holdings of potentially risky government debt, a Wall Street Journal analysis shows."

Wall Street Journal: "Bankruptcy Court Is Latest Battleground for Traders ... In Six Flags Inc.'s bankruptcy case last fall, a hedge fund that owned senior bonds negotiated the theme-park company's reorganization plan, then dumped lower-ranking bonds it figured would lose value under the deal."

Wall Street Journal: "Can One Regulator Really Fit All 27 EU Member Countries? ... Markets need regulation. Few serious voices would dissent from that simple proposition. But does a single market demand a single system of regulation? As the European Union moves closer to taking regulatory control of the territory's financial markets, there are some, particularly in the City of London, who are questioning what superficially seems a perfectly logical step."

Wall Street Journal: "Lehman Case in U.K.: Legal Tangle Over Client Cash ... The expectation that a case involving Lehman Brothers International Europe could be headed to the U.K.'s Supreme Court has created uncertainty about the protection of clients' funds held by investment banks."

Wall Street Journal: "Lessons of Lehman's Flighty Funding ... Was the jig up for Lehman Brothers months before it actually failed?"

Wall Street Journal: "Friction on Financial Crisis Panel Is Downplayed ... A high-ranking member of the congressional commission investigating the nation's financial crisis downplayed recent reports of dissension, and said the panel's final report would contain some surprises."

Wall Street Journal: "The Obama Economy ... So two months before an election, and 19 months after the mother of all spending programs, President Obama said yesterday he's rolling out one more plan to stimulate the economy. We'll discuss the details when they're released, but the effort itself is a tacit admission that his earlier proposals have flopped."

Washington Post: "New council of regulators will take aim at systemic risks ... How's this for a daunting assignment: Monitor the entire financial landscape for risks that could spark another crippling crisis. Identify and supervise firms that could pose those systemic risks. And make sure they never grow so large, complex and leveraged that their failure can wreak havoc across the globe."

Washington Post: "Economic events for the week of Sept. 6, 2010 ... Kenneth Rogoff, the Harvard economist who has led research on the impact of financial crises, argues at Project Syndicate that Federal Reserve policymakers can do more to support the economy, but that a long period of weakness is likely."

NY Times: "Questions About Banks Push European Indexes Lower ... Equity markets declined Tuesday, particularly in Europe, where concerns about the health of banks resurfaced and European finance ministers met to consider a new levy on lenders."

NY Times: "Wall Street's Still-Warped Incentives ... Once in a while, the written word touches a raw nerve."

USA Today: "Boards of directors: Clueless, but not criminal, mostly ... Q: Boards of directors are supposed to be shareholder watchdogs of a company's management. Are directors tempted to commit fraud themselves?"

Washington Times: "COLE: Save your house ... Save your house by not paying your mortgage. Sounds crazy, doesn't it? But for more than a million homeowners, this might be the right answer. Those homeowners, for whatever reason, have defaulted on their first mortgage but continue to pay their second mortgage on time."

Washington Times: "CHENEY: Unleash credit unions to spark small-business expansion ... The economic slowdown is dragging on. Last month, the U.S. government lowered its estimated rate of growth in the second quarter to an anemic 1.6 percent."